

23 June 1976

MEMORANDUM

SUBJECT: A Follow-On to the KIQ-KEP Process

1. The KIQ-KEP system made no sense in terms of making decisions about the allocation of resources within the Intelligence Community because it was not inclusive. Indeed, we did not even need it for that purpose, given the programming and budgeting process. What it did hold out was hope for establishing key goals, setting priorities and evaluating performance against the goals selected. It failed because too many activities could be related to KIQs.
2. We should not give up hope. There are in private industry quite a number of corporations that use a system called long-term or strategic corporate planning to establish goals and priorities, to devise strategies for pursuing these goals, and to develop action plans against which performance can be judged. The American Management Associations offers a rather good course on the process. I would suggest that we could adapt it for our own use.
3. Using a variation of the process, key gaps in the collection or production of intelligence would be identified by the NIOs and presented to the DCI as chief of the CFI. The CFI could then assign responsibility to (or take bids from) appropriate program managers to develop strategies for filling the gaps. The program manager selected would then assign responsibility to one or several of his components to prepare the action programs to achieve desired results, complete with milestones that would be the occasion for a thorough review of results to date. The IC Staff would presumably be the agent administering the reviews at each step in the process. The NIOs might like to play a role in the review process, at least to the extent of certifying that strategies and action plans were responsive to the need and that IC Staff findings on milestones

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were accurate. Such a system would not absolutely guarantee that the Community was getting its money's worth, but it would guarantee that money was being spent on the right things and that results were being achieved.

4. Long-term strategic planning is, of course, only meant for the most important, new activities. Established activities would continue to be controlled by the programming and budgeting processes (or, perhaps, after January by zero-based budgeting).



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